Also for the stored transactions(20), the Service Provider will create an ACH transaction (28) to the merchant and transmit electronically (29) that transaction to the merchant's bank account (30), thus completing the payment settlement to the merchant.

5   Using a merchant computer (31), such as a PC style computer, a Web Computer, a wireless web device, a PDA, or another device providing a terminal and viewer including means for connecting to the Internet, a merchant may view all of their transactions (20) and related status for a specified span of time. If the merchant has contracted to have the ability to select which transactions (20)are to be printed (25) and funded (28), the merchant uses the

10   merchant computer (31) to make that selection.

CLAIMS

1. A system for merchants to accept authorized checks and receive payment on the same electronically from a third-party service provider where the transaction is verified and

15   may be guaranteed, the image of the check writer's check is captured and stored, a sight draft possibly with the image of the subject check for the subject payment is created and presented for payment comprising:

a communication device for the merchant to input the information from the check and the subject transaction and transmit statistical information to a service provider;

20   a database maintained by the service provider programmed to receive statistical information from the merchant, analyze this statistical information and provide a response to the merchant indicating the probability that the payment will be honored;

a check scanner or other image-transfer device attached to the merchant's
communication device to capture the image of the subject check and transmit the image of
the check to data storage;

an image repository for storage of the images of the checks processed through this

5 invention;

an automated system to transmit payment from the service provider on approved
transactions to the bank account of the merchant in the amount of the approved transaction,
less the cost of the service and prearranged risk hold backs, delayed posting arrangements or
other criteria;

10 an automated process wherein if the merchant is a "guarantee" customer of the
service provider, the merchant shall be indemnified for any returned checks that are
returned unpaid from the check writer's bank account. This guarantee shall be subject to the
terms and conditions of the service provider's contract for the same;

2. The system of Claim 1 wherein a sight draft payable to either the service provider

15 or the merchant in the amount of the approved transaction is created through a check
software and printing program using the statistical information transmitted to the service
provider from the merchant. This sight draft may have an image of the subject check printed
on it and shall be deposited in the bank account of the service provider and processed
through traditional check processing means.

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